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SUBJECT: A VIEW FROM BURKINA: FIRST AFRICA-INDIA SUMMIT REFLECTS
COMPETITION FOR AFRICA'S POLITICAL SUPPORT, ECONOMIC OPPORTUNITIES

Reftels: A) 07 Ouagadougou 0811;
B) 07 Ouagadougou 0892;

11. (U) Key Points:

-- India hosted the first India-Africa Forum Summit April 8-9 in New Delhi, with 12 African heads of state or government in attendance, including Burkina Faso's Prime Minister. The African leaders represented the African Union (AU) and regional integration bodies or initiatives (e.g. COMESA, ECA, ECOWAS, SADC, NEPAD).

-- India agreed to open unilaterally its markets to 34 least developed African countries, and more than doubled to \$5.4 billion a five-year credit line for development projects, which Burkina Faso hopes to tap for hydroelectric and rail/mining projects.

-- The Summit's "Delhi Declaration" outlined common positions on climate change, the Doha Round of trade talks, terrorism, non-proliferation, and UN reform.

12. (SBU) Key Judgments:

-- This first India-Africa summit came on the heels of similar Africa summits organized by other developing countries (Brazil, China, and Taiwan (refs A, B)). India's tardiness in hosting its own Africa summit may reflect its relative focus on developed countries since launching market reforms in 1991.

-- As with China and Brazil, India sees Africa in mainly economic terms, as an important emerging market for exports of primarily lower-technology products, and as a source of imports of raw materials (and also scrap materials for India and China) to feed its rapid growth and industrialization.

-- As did Brazil, India used its Summit to promote its international political goal of winning a permanent seat on the UN Security Council, also backing Africa's bid for a seat.

-- Burkina Faso-India political ties are expanding modestly and cemented by increasing Indian development assistance, including tele-education, tele-medicine, and internships to train Burkinabe managers.

-- Although French-speaking Burkina Faso is not tied to India by English or a common heritage as a former British colony, it is

representative of a larger trend in African countries toward expanding bilateral trade (seeds/nuts/cotton, scrap metal) and investment (cement, plastic), with the continent's bilateral trade with India growing rapidly to \$25 billion in 2005.

End Key Points, Key Judgments.

India-Africa Ties:

A Focus on Links to Regional, Sub-Regional Bodies

13. (U) India hosted the first India-Africa Forum Summit April 8-9 in New Delhi under the theme of "India-Africa: Towards a New Strategic South-South Partnership." MOFA Asia Bureau Director Pascal Batjobo, who attended the New Delhi meetings, told DCM and Poloff on April 16 that India's approach to Africa was to work through the continent's regional (African Union (AU)) and sub-regional bodies (e.g. Southern Africa Development Community (SADC), and Common Market for East and Southern Africa (COMESA)). There were 12 African heads of state or government present at the Summit, including AU President Jakaya Kikwete, who is President of Tanzania; East Africa Community (ECA) Chairperson Yoweri Museveni, who is President of Uganda; and Burkina Faso Prime Minister Tertius Zongo, who represented President Blaise Compaore in Compaore's capacity as current Chair of the Economic Community of West African States (ECOWAS). Other heads of state or government came from Algeria, the Democratic Republic of the Congo, Egypt, Ghana, Kenya, Libya, Nigeria, Senegal, South Africa, and Zambia. Alpha Konare, then AU Commission Chairperson and former President of Mali, also attended.

Leaders Adopt Delhi Declaration,
Africa-India Framework Document

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14. (U) These leaders adopted the "Delhi Declaration" and "Africa-India Framework for Cooperation," which Indian Prime Minister Singh described jointly as "the blueprint for our cooperation in the 21st century." At an April 9 press conference, Singh explained that India's steps to expand this cooperation include the expansion of unilateral, duty-free market access for exports from 50 least developed countries, 34 of which are in Africa, and the extension of \$5.4 billion in new lines of credit. Addressing the timely issue of food security, Singh "offered Indian assistance in a Green Revolution in Africa through ... agricultural production, storage, and transportation." He noted that several outreach events were organized concurrently with the Summit, including a business conclave, and the first ever India-Africa Editors Conference.

15. (U) Uganda's Museveni, also at the press conference, stated that "trade access to the markets of the United States, European Union, China and now India is the most important contribution in the Afro cooperation with these continents."

16. (U) The "Delhi Declaration" notes that India and Africa are "common neighbors on two sides of the Indian Ocean" and appeals for unity based on their "historic alliance during their fights for independence." The Declaration also calls for them to preserve the interests of developing countries in international discussions of "crucial issues such as climate change, multilateral trade talks (the Doha Round, in particular the discussions on non-agricultural market access (NAMA), services, rules, and the promise of a "Development Round"), the fight against terrorism, nuclear non-proliferation, and United Nations reform." In terms of climate change, the document describes "development as the best form of (climate change) adaptation," and calls on developed countries to make available "adequate financing for adaptation without detracting from funds destined for development." India also agreed with the Africa leaders to support each other's bid for a permanent seat on the UN Security Council.

17. (U) The "Africa-India Framework for Cooperation" lays out seven areas of cooperation:

-- economic (agriculture, trade/investment, small/medium enterprises; finance);
-- political (peace and security; civil society and good governance);
-- science, technology, research and development (including information and communication technology);
-- social development and capacity building (education; health; water and sanitation; poverty eradication);
-- tourism;
-- infrastructure, energy, and environment (including priority areas under the New Partnership for Africa's Development (NEPAD); and,
-- media and communication.

Prime Minister Zongo on Summit's Importance
to Burkina Faso; Major Investment Projects

¶8. (U) Zongo, in an April 8 speech in New Delhi, welcomed the Forum as "the expression of a common will to reinforce south-south cooperation ... in a world of competition." He also lauded India's bilateral aid to mechanize agriculture and expand small- and medium-sized irrigation projects. While in New Delhi, Zongo met with Indian businessmen to seek their help in obtaining financing, including from the Indian Export-Import Bank, for three major projects:

-- a \$320 million "Ouessa II" hydroelectric dam;
-- the extension of the Ouagadougou-Tambao rail line to the city of Kaya; and,
-- development of the Tambao gold mine, which has 20 million tons of 52% gold ore, and whose development - along with the rail line extension - would cost \$150 million.

¶9. (U) At a bilateral meeting at the Summit, Zongo agreed with Singh to hold soon the third session of the Burkina Faso-India Mixed Commission, which had last met 10 years ago, Batjobo said. India is also considering re-opening its Embassy in Ouagadougou, which closed

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in 2002 and moved to Ghana. (Comment: Brazil and Japan recently announced plans to open Embassies in Ouagadougou. End Comment.)

Burkina Faso-India Political Ties:
Built on Foundation of Development Assistance

¶10. (U) Burkina Faso sees India, with its one billion people and rapidly growing economy, as an "undeniable power on the international scene," Batjobo said. He explained that Burkina Faso-India bilateral relations were supported by Indian development aid. One example was a 2004 agreement, known as "Team 9," under which India agreed to provide eight West African countries a \$500 million lending facility. Burkina Faso had obtained a \$31.5 million loan from Team 9, of which over \$30 million was for a project to encourage mechanized agriculture, and \$970,000 for a mail sorting facility in Ouagadougou.

¶11. (U) Batjobo said that Burkina Faso had also signed up to participate in a 2006 India-Africa Union agreement known as the "Pan African E-Network," under which a telecommunications network by satellite and optical fiber will take advantage of:

- 1) tele-education, e.g. distance learning opportunities at Indian universities;
- 2) tele-medicine, e.g. to carry out surgeries with the help of Indian hospitals; and,
- 3) tele-video link-ups for African heads of State.

¶12. (U) At the April 2008 Summit, Burkina Faso was able to conclude a new, \$25 million loan under this facility for rural electrification, as well as secure financing for a tomato factory in Loumbila, Batjobo said. The Indian Foreign Ministry also announced a five-year, \$500 million program to train African managers through university-level internships. The number of scholarships available under this program was increased to 1,600, up from 1,000 under the prior program. India also promised to start a volunteer corps to

help African countries, similar to the Peace Corps, he added.

Burkina Faso-India Economic Ties:
Led By Small But Growing Indian Community

¶13. (U) Indian Honorary Consul to Burkina Faso, Deepak Ramchandani, told DCM and Poloff on April 18 that the India-Africa Summit was "almost necessary after China initiated similar meetings with Africa." Ramchandani, who traveled to India to attend the Summit, stated that India strived for good relations with all developing countries, but had not really looked at the African continent in a serious way until recent years. Over the last decade, he said, India and African countries had expanded ties, in part because the level and kind of Indian technology was simpler, cheaper, and "climatically" well adapted for African consumers. He added that, two decades ago, India would not have been wealthy enough to offer to finance development and investment projects, nor would it have felt ready to open its market duty-free to African products. In recent years, however, India's gross domestic product (GSP) had been growing at an annual rate of nearly 10 percent, so this "giving of seeds (sound investment), not money (largesse)" was now affordable. While India had political objectives in Africa, he explained, the core of bilateral ties was economics.

¶14. (U) Burkina Faso's Indian community, while a relatively small 125 including family members, is young and growing, Ramchandani explained. All of the families are engaged in business either as owners, or employees of Indian-owned businesses. Their recent origins are mixed, with some arriving directly from India after having been recruited by families already here, while others were born in Africa, such as one businessman who was born in Liberia, or simply moved from other neighboring countries, such as Cote d'Ivoire. The largest Indian-owned investment in Burkina Faso is the "Diamond" cement factory, located on the outskirts of Ouagadougou. Diamond is actually a local subsidiary of a Ghanaian cement company owned by Indians. Another Indian businessman has a plastics factory to produce PVC tanks and plastic water tanks, while others run a travel agency. Ramchandani said that he had decided to keep his company based in Ouagadougou because the Burkinabe were hospitable and Burkina Faso is stable, safe, and peaceful. While

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Burkina's bureaucracy is slow, it was no slower than the Indian bureaucracy, he added.

¶15. (U) Ramchandani came to Burkina Faso 15 years ago, and became the longest residing Indian here after his former boss decided to leave Burkina and turn his faltering business over to him in 1999. Since then, Ramchandani and another Indian partner have grown the company by leaps and bounds, moving into food and beverage imports from India, local construction, and regional transport (the latter in part to handle their own imports), and expanding to Mali, Benin, Togo, and Congo (Brazzaville). Ramchandani has another office in Burkina Faso's second largest city, Bobo-Dioulasso, where Indian businesspersons are active in exporting sesame seeds, cashew nuts, and gum Arabic, all for processing in India. They are also active purchasers of Burkinabe scrap metal, which they ship to India for recycling. (AmEmbassy Ouagadougou has also promoted a deal by Victoria's Secret under which organic cotton from Burkina Faso is exported to India for spinning and weaving into women's lingerie.)

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